

CAPITAL INVESTMENT BOARD, IOWA[123]

Notice of Intended Action

Twenty-five interested persons, a governmental subdivision, an agency or association of 25 or more persons may demand an oral presentation hereon as provided in Iowa Code section 17A.4(1)“b.”

Notice is also given to the public that the Administrative Rules Review Committee may, on its own motion or on written request by any individual or group, review this proposed action under section 17A.8(6) at a regular or special meeting where the public or interested persons may be heard.

Pursuant to the authority of Iowa Code section 15E.63, the Iowa Capital Investment Board hereby gives Notice of Intended Action to amend Chapter 1, “Iowa Capital Investment Board—Administration,” and Chapter 2, “Tax Credits for Investments in Qualifying Businesses and Community-Based Seed Capital Funds,” Iowa Administrative Code.

These amendments are proposed as a result of 2011 Iowa Acts, Senate File 517.

Items 1 and 2 amend rule 123—1.6(15E) to reflect the current duties of the Iowa Capital Investment Board.

Item 3 amends 123—Chapter 2 by adding new rule 123—2.11(15E) to provide that responsibilities for the tax credit for investments in qualifying businesses and community-based seed capital funds have been transferred from the Iowa Capital Investment Board to the Iowa Economic Development Authority.

Item 4 amends the implementation clause for 123—Chapter 2.

These amendments are being proposed by the Department of Revenue on behalf of the Iowa Capital Investment Board pursuant to an Administrative Services Agreement between the Department and the Board.

The proposed amendments will not necessitate additional expenditures by political subdivisions or agencies and entities which contract with political subdivisions.

Any person who believes that the application of the discretionary provisions of these amendments would result in hardship or injustice to that person may petition the Department for a waiver of the discretionary provisions, if any.

The Department has determined that these proposed amendments may have an impact on small business. The Department has considered the factors listed in Iowa Code section 17A.4A. The Department will issue a regulatory analysis as provided in Iowa Code section 17A.4A if a written request is filed by delivery or by mailing postmarked no later than October 10, 2011, to the Iowa Capital Investment Board, in care of the Policy Section, Policy and Communications Division, Department of Revenue, Hoover State Office Building, P.O. Box 10457, Des Moines, Iowa 50306. The request may be made by the Administrative Rules Review Committee, the Administrative Rules Coordinator, at least 25 persons signing that request who each qualify as a small business or an organization representing at least 25 such persons.

Any interested person may make written suggestions or comments on these proposed amendments on or before September 27, 2011. Such written comments should be directed to the Iowa Capital Investment Board, in care of the Policy Section, Policy and Communications Division, Department of Revenue, Hoover State Office Building, P.O. Box 10457, Des Moines, Iowa 50306.

Persons who want to convey their views orally should contact the Iowa Capital Investment Board, in care of the Policy Section, Policy and Communications Division, Department of Revenue, at (515)281-8036 or at the Department of Revenue offices on the fourth floor of the Hoover State Office Building.

Requests for a public hearing must be received by September 27, 2011.

After analysis and review of this rule making, no adverse impact on jobs has been found.

These amendments are intended to implement Iowa Code section 15E.42 as amended by 2011 Iowa Acts, Senate File 517.

The following amendments are proposed.

ITEM 1. Amend rule 123—1.6(15E) as follows:

123—1.6(15E) Duties of the board. The primary duties of the board include the following:

~~1.6(1) To develop a system for issuance, registration and authorization of tax credits for investments in qualifying businesses and community-based seed capital funds as provided in 2002 Iowa Acts, House File 2271, section 3.~~

~~1.6(2) To establish the establishment of criteria and procedures for the issuance, transfer and redemption of contingent tax credits for investments made to the Iowa fund of funds as provided in 2002 Iowa Acts, House File 2078, section 6 Iowa Code section 15E.63.~~

~~1.6(3) To establish a system for the issuance and redemption of tax credits for investments in venture capital funds as provided in 2002 Iowa Acts, House File 2586, section 1.~~

~~1.6(4) On or before December 31 of the calendar year following the end of the immediately preceding fiscal year, to publish and present to the governor and the general assembly an annual report on the activities conducted pursuant to rule 123—2.1(15E). This report shall include a listing of eligible qualifying businesses and community-based seed capital funds and the number of tax credit certificates and the amount of tax credits issued.~~

ITEM 2. Amend **123—Chapter 1**, implementation sentence, as follows:

These rules are intended to implement Iowa Code chapter 15E as amended by 2002 Iowa Acts, House Files 2078, 2271 and 2586 section 15E.42 as amended by 2011 Iowa Acts, Senate File 517.

ITEM 3. Adopt the following new rule 123—2.11(15E):

123—2.11(15E) Transfer of responsibilities for administration of the program. Effective for tax years beginning and investments made on or after January 1, 2011, the responsibility for administering the tax credits for investments in qualifying businesses and community-based seed capital funds has been transferred from the Iowa capital investment board to the Iowa economic development authority.

ITEM 4. Amend **123—Chapter 2**, implementation sentence, as follows:

These rules are intended to implement Iowa Code chapter 15E and 2007 Iowa Acts, House File 923 section 15E.42 as amended by 2011 Iowa Acts, Senate File 517.